



3. BUSINESS ARCHITECTURE

IT Direction			
Business Architecture	Information Architecture	Application Architecture	Infrastructure Architecture
Security Architecture			
Enterprise Architecture Management (EAM)			

The business architecture is the foundation for the Information Technology Architecture that links the business of the enterprise to its information technology. This chapter documents the business environment of SFA. It defines what, where, why and by whom business operations are performed. It documents the manner in which SFA carries out its mission and vision.

This chapter presents SFA's mission, vision, goals and objectives. The forces for change that influence the strategic direction of SFA are also provided. Further, the chapter provides a contextual view of SFA and its business partners along with the information that is required to conduct SFA-related business. Together, these elements define SFA business environment and help determine the business functions necessary to operate effectively in this environment.

Much of what is presented in this chapter is under review by upper management at SFA as part of the modernization effort. This section represents the business development as of September 2000. The process of evergreening will ensure that the IT Architecture reflects the latest target business architecture.

3.1 SFA's Mission and Vision

3.1.1 Overview

The foundation for all business and technology architecture rests firmly on the Mission and Vision of the enterprise. It is these clearly articulated statements that lend credence to the underlying organization and its functions. The Mission of the enterprise should be short, memorable and should express the focus of responsibilities that make up the enterprise. The Vision of the enterprise, as a companion concept to the Mission, should portray the manner in which the enterprise intends to pursue its Mission.

SFA has a strong statement of its Mission and is developing its Vision in terms of a "virtual SFA." These concepts are provided below to set the context in which all other business elements are aligned.



3.1.2 Mission

SFA's mission statement is a concise characterization of its charter:

“We Help Put America Through School.”

3.1.3 Vision

The vision that SFA seeks is that of a high performance workforce that delivers great products and services to customers who are happy with our integrated operations, within the bounds of fiscal responsibility.

Thus, SFA is striving to achieve a business environment characterized by:

- Customers and partners who are happy with our products and services,
- A place where our people perform at their highest ability,
- Demonstrated responsibility for the funds entrusted to it,
- Integrated operations that make business simpler, faster and more accurate.

To succeed and to deliver on its performance objectives, SFA has developed a new business model. This design effort has evolved into the "Virtual SFA." The Virtual SFA (VSFA) represents how SFA will go to market and serve its customers for throughout the entire process, end to end. It is based on a number of critical components including SFA's mission, shared values, behaviors, skills and targeted outcomes.

The concept of Virtual SFA starts with customer needs and service expectations. Our customer needs follow a distinct life cycle from designing the right financial products for our customers, to need for awareness, to fulfillment (receiving a loan or a grant), to servicing and maintenance of our products and services. Traditionally, organizations concentrated only on their realm of authority, which most often did not take into account a comprehensive view of customer needs. In this structure, each organization would satisfy a subset of customer needs which increased the potential for unmet customer expectations and the overall customer satisfaction was only as strong as the weakest link in the chain of activities.

This dilemma is exacerbated for our customers when one considers the complexities and the multitude of institutions (schools, lenders and financial organizations and SFA) involved in meeting customer expectations.

The Virtual SFA represent a "virtual value chain" and delivery model for the new SFA that takes into account an inclusive view of customer needs and is designed to collaborate with our partners to deliver customer satisfaction. This requires that we create appropriate alliances and place the entire delivery process under a Customer Relationship Management umbrella as we move toward a facilitative role in fulfilling customer service needs. This structure will enable "one-stop-shopping" and is achieved partly through the integration of technology to allow all partners to share information necessary to serve the customer and the creation of Business-to-Business and Business-to-Consumer interaction and connectivity.



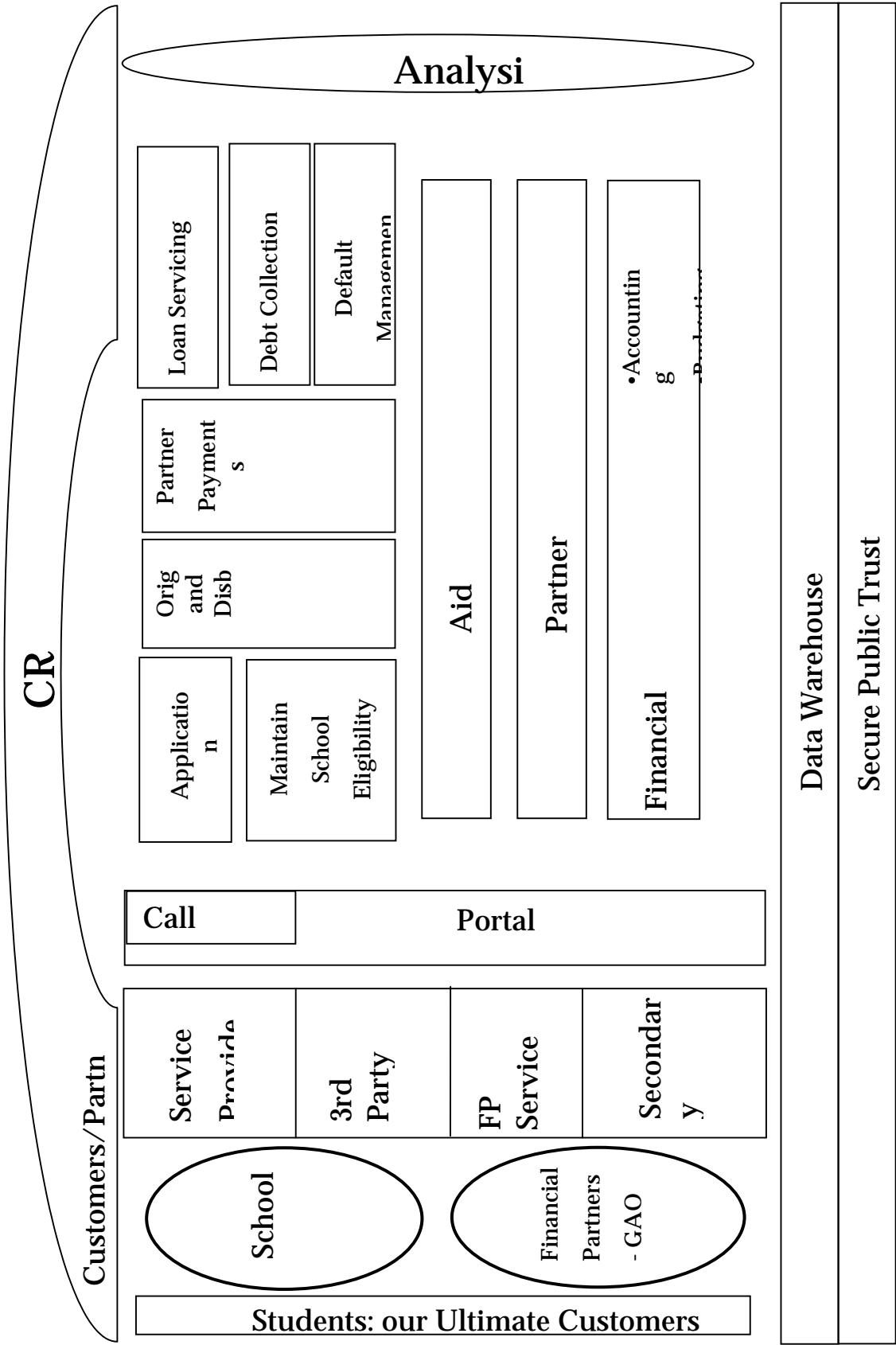
Exhibit 3-1, shown below, depicts graphically the intent of the Virtual SFA.

The driving forces/imperatives behind Virtual SFA, which are discussed immediately below, include the following:

- Access to information
- Partnering for Success
- Student Centric
- Positive Customer Experience



Exhibit 3-1: Virtual SFA Concept





3.1.3.1 Access To Information

Virtual SFA is intended to support logical and efficient access to student loan information for all borrowers - SFA's ultimate customers. The concept of a "one-stop shop" for loan information will enable students to more easily determine what financial aid is available to them and how and when to apply (the loan process and applicable forms) for aid.

Integrated applications captured within VSFA will provide SFA employees and partners with accurate, timely and reliable data. Having the correct data readily available will help to serve students more effectively and reduce their reliance on a physical contact with Customer Service Representatives.

3.1.3.2 Partnering for Success

Partnering for success within the Virtual SFA refers to the cooperative efforts that are necessary between SFA and its partners to effectively service its customers, the students. The alliance of partners and their collaborative effort will enable a multitude of new capabilities to be delivered. This will result in a more positive customer experience as well as enhanced working relationships for SFA and its partners.

3.1.3.3 Student Centric

Within Virtual SFA, the student is viewed as the ultimate customer. All other parties (SFA, legacy contractors, schools, guaranty agencies, etc.) involved are seen as partners in the process of providing financial aid. The focus of VSFA is getting the right aid to the right people at the right time. By concentrating on becoming student centric, SFA and its partners will be more customer facing and be actively involved in improving customer satisfaction.

3.1.3.4 Positive Customer Experience

To help promote a positive customer experience, VSFA places the entire loan delivery process under a CRM (Customer Relationship Management) umbrella. It is anticipated that CRM will enhance, expedite and facilitate existing loan servicing processes. Progressing to an Internet environment will offer the opportunity to develop new skill sets and behaviors to supplement the existing SFA culture. The quicker response time for the customer in conjunction with enabling SFA staff with the correct information, tools and skill sets will help to ensure a positive customer experience.

3.2 Business Drivers

Business drivers are external forces which SFA has very little direct control but which will require SFA to change. Generically they include competition, regulation/ deregulation, customers, stakeholders, partners, the economy, laws and regulations and technology trends/developments. SFA must be prepared to deal with such forces, to change business practices and to adapt information technology architecture, as appropriate.

The following are the primary business drivers for SFA, as noted in Enterprise Information Technology Architecture Framework: *Business Drivers and Architecture Principles, Draft, October 8, 1998.*



- New laws and regulations. New laws impacting SFA can be passed and signed into law at any time. Additionally, Student Financial Aid is reauthorized every 5 years and new requirements for SFA result. New student financial aid programs can be created at any time.
- Ups and downs of the U. S. business cycle. These normal ups and downs can impact interest rates, demand for loans and the ability of students to repay existing loans.
- Demographics and population trends. Significant student loan and grant growth is expected over the next few years.
- Presidential policy directives. These may create requirements for SFA and in some cases direct how SFA should address business issues.
- Customer expectations. Customers expect high levels of customer service comparable to the service level customers receive from “world class” private sector organizations.
- Budget constraints. SFA budgets will likely remain constrained, although new resources could be made available for critical initiatives.
- Internal desire and external pressure to operate as efficiently as possible. As noted in a number of reports by the General Accounting Office and the Inspector General, many management and operations problems still remain. Perhaps the most important of these are:
 - The various student aid systems are not totally integrated;
 - Financial data from aid programs are only partially consolidated at the student level;
 - Too many contractors use different operating systems.
- The trend toward integrated delivery of government services. This will likely broaden and impact SFA. Financial, accounting, contracting and other major business systems will move toward greater integration and enhancement.
- Technology change. The pace of technology development will continue to accelerate. SFA will continue to require technological changes and adaptations to take advantage of new standards and increased capabilities.

3.3 Business Goals and Objectives

Based on a clear statement of its Mission and Vision and in response to business drivers, an enterprise must set high-level goals and objectives to support its’ strategic direction. Typically such goals are broadly defined targets that describe what the enterprise intends to accomplish within a specified planning horizon. The planning horizon can be as short as a few years or as long as ten years. For each goal, the enterprise can establish more measurable objectives that indicate just how the enterprise will achieve each goal. Objectives are stated in more concrete terms than goals, but are still rather broad in their characterization.



As the government's first Performance-Based Organization, SFA will measure more than just financial performance. SFA will measure its performance against three over-arching primary objectives:

- Increasing customer satisfaction;
- Increasing employee satisfaction;
- Reducing the unit cost of student financial assistance.

As part of its effort to become a Performance-Based Organization, SFA has recently defined success for the next two fiscal years (FY01/FY02) in terms of six primary goals. Management has further identified several specific objectives that relate to these goals. Listed in Exhibit 3-2 are the business goals and objectives for FY01/FY02:

Exhibit 3-2: Business Goals and Objectives for FY-01/FY02

Number	Business Goals	Business Objectives
BG-1	High Performance Workforce	Symbolic new building Performance System SFA University Curriculum Operating Partner Agreements (Replace contracts) Well-defined working relation with Department of Education
BG-2	Happy Customers/ Partners as measured by ACSI	
BG-3	Integrated Operations	Common Origination & Disbursement Portals for Students, Schools, Financial Partners, Employees Legacy system integration / redesign Real-time data Financial Management System
BG-4	Great Products and Services	e-form for Financial Partners FAFSA Electronic Direct Loan servicing



BG-5	Fiscal Responsibility	Default management tools Clean audit Successful controls
BG-6	Reduce unit cost by 6% by 2002	

3.4 Organizational Structure

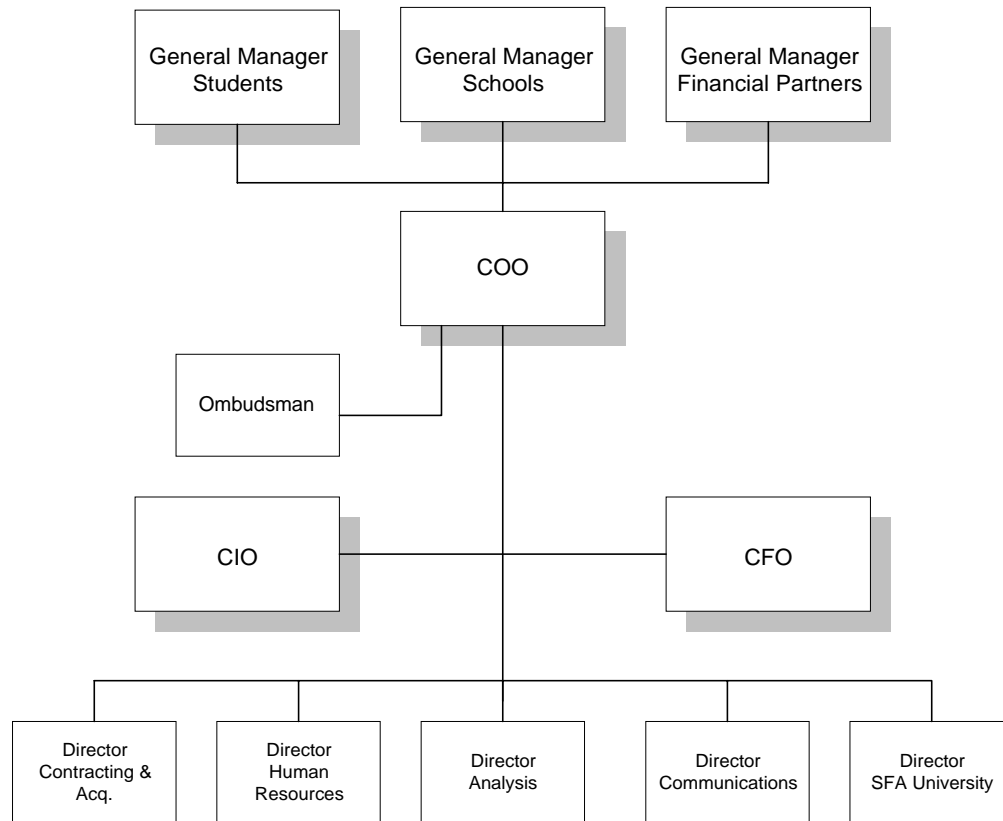
3.4.1 Overview

The organizational structure of SFA reflects its customer focus, with three “channels” for Students, for Schools and for Financial Partners. The management structure further includes a Chief Operating Officer (COO), a Chief Financial Officer (CFO) and a Chief Information Officer (CIO). Other supporting components include Contracting and Acquisitions, Human Resources, Analysis, Communications and SFA University.

3.4.2 Organization Chart

A high-level organization chart is presented in Exhibit 3-3, which indicates the primary components of the SFA Management structure.

Exhibit 3-3: Organization Chart for SFA



3.5 Business Context Model

The Business Context Model is a logical representation of the business enterprise. It depicts the enterprise as a single entity and identifies the exchanges that are required between the enterprise and external entities — persons, places, or things that SFA encounters in the course of doing business. The center of the diagram represents the SFA enterprise and its functions, whether they are performed by SFA or by its agents.

The Business Context Model establishes the scope of the enterprise architecture effort from a business perspective. It identifies external entities that the enterprise interacts with, as well as the need for interfaces and provides an understanding of the enterprise's interactions that must be accommodated by the IT architectures.

The Business Context Model for SFA, with external entities grouped by category, is shown in the Exhibit 3-4. This illustrates the complex environment in which SFA conducts business.



Exhibit 3-4: Business Context Model for SFA

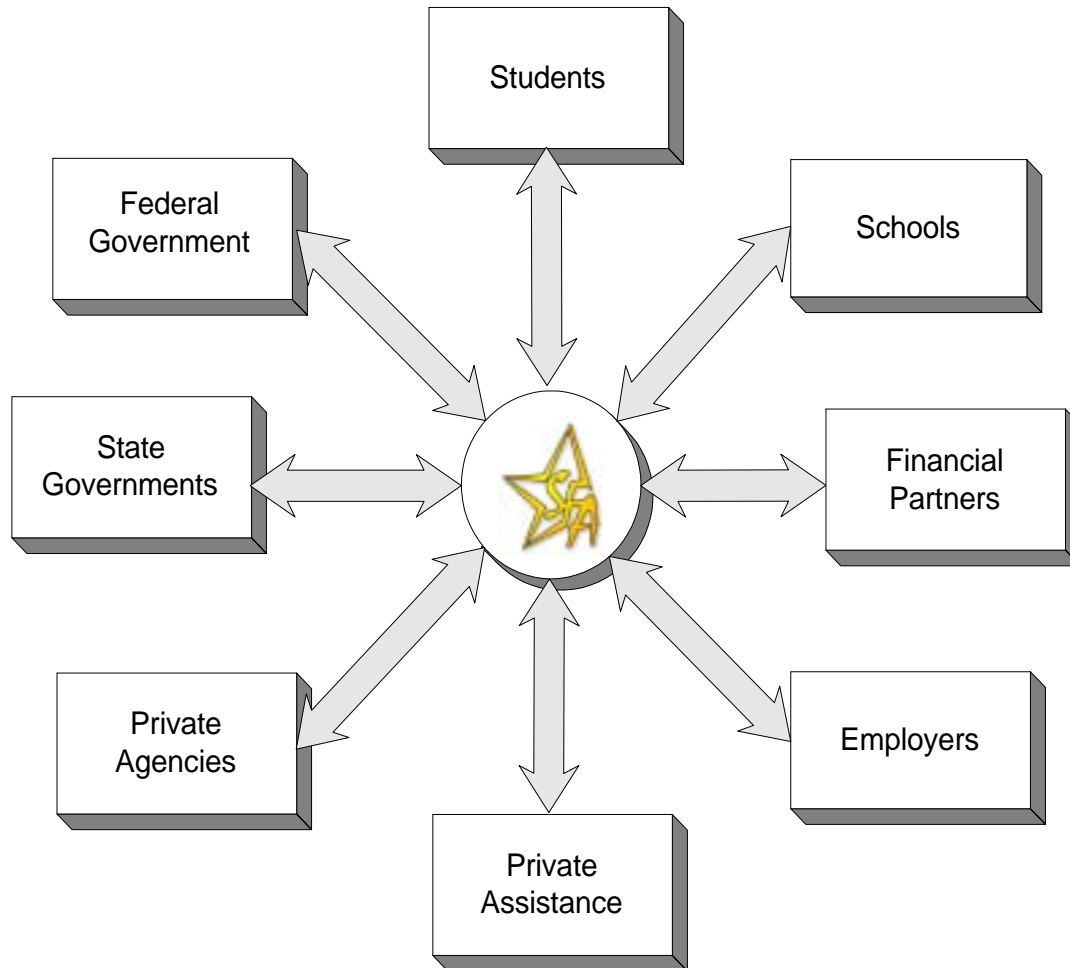


Exhibit 3-5 presents a breakdown of external business entities by category. SFA's business requires that it interface regularly with these entities.



Exhibit 3-5: External Business Entities by Category

Students
Schools
Financial Partners Lenders Banks
Employers
Private Assistance Private Scholarship Funds Financial Modeling Services
Private Agencies Guaranty agencies (GA) Collection agencies Credit bureaus
State Government State accreditation agencies Other state agencies
Federal Government Department of Justice (DOJ) - Immigration and Naturalization Service (INS) Department of Labor (DOL) Department of Housing and Urban Development (HUD) Department of Defense (DOD) Department of Treasury - Internal Revenue Service (IRS) Department of Health and Human Services (HHS) Department of Veterans Affairs (VA) Social Security Administration (SSA) Other Federal bodies (OMB, GAO, OIG, Congress, White House)



3.6 Business Function-Process Model

3.6.1 Description and Purpose

The Business Function-Process Model is a decomposition of the enterprise in terms of the generic, essential functions and the processes it performs, the actors/agents involved with those processes and the products produced. The Business Function-Process Model is an important building block in the development of the enterprise architecture and is used heavily in defining the information, application and infrastructure architectures.

The purpose of creating Function-Process Model is:

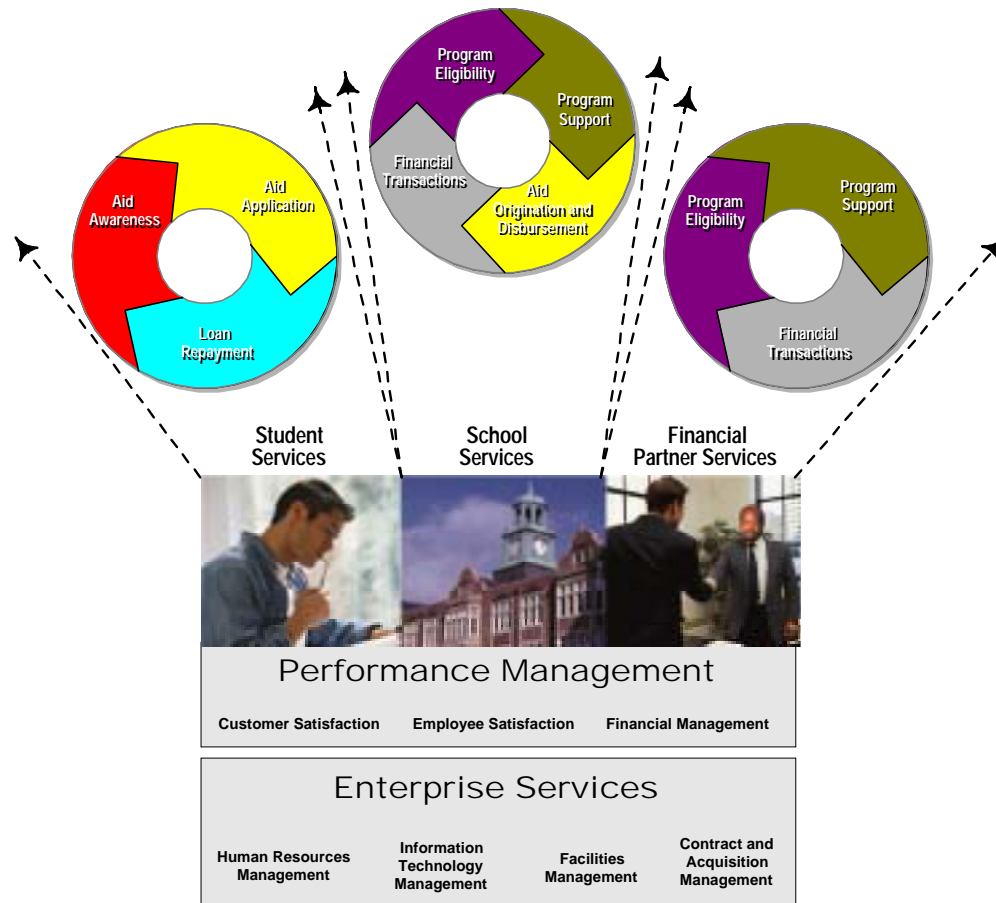
- To identify and briefly describe the business functions and processes performed within the enterprise, as needed to define the architecture to support those functions and processes
- To associate business processes with the high-level functions or core business processes they support, making it easier to identify critical processes
- To provide a high-level process view of the business and a focus on the primary products or services and the “value streams” that produce them.
- The sections below depict a Functional Model of SFA. Complete delineation of the Processes of SFA are currently being developed. No detailed depiction of SFA processes is presented in this document. A cross-referencing table of Functions versus Processes will be part of the evergreening effort to update the Business Architecture.

3.6.2 Functional Model of SFA

The SFA functional business model shown in the Exhibit 3-6 is a conceptual representation of the functions performed by SFA employees. These functions are logically grouped into five critical Functional Areas that the technical architecture must support. (These functional areas are based on the model presented in the *Modernization Blueprint, April 2000*)



Exhibit 3-6: Functional Model of SFA



The five functional areas within SFA are the following:

- Student Services
- School Services
- Financial Partner Services
- Performance Management
- Enterprise Services.

Proper understanding of the business model involves two key points. First, the business model is simply the framework that is used to describe the SFA business requirements to be fulfilled through modernization. While the business model graphic depicts several key organizational concepts, it is not an organizational structure. In the future, groups of SFA employees may perform activities in multiple processes and support functions. Second, the business model represents current thought on how SFA activities should be logically grouped in the future.



This representation of SFA will likely evolve as it modernizes and begins to reengineer key business processes and support functions.

Core business capabilities are aligned along three service channels. Student Services are the services SFA provides directly to students and borrowers. School Services and Financial Partner Services are the services SFA provides to its business partners. Services provided to schools and financial partners indirectly benefit students.

Services provided within the three service channels as represented by circular flows in each of the rings. This depiction graphically demonstrates the dynamic nature of the services SFA provides to students and partners. Many students apply for and repay multiple loans in their lifetime. In many cases, SFA provides support to schools and financial partners continuously throughout the year.

3.6.3 SFA's Functions by Functional Area

The many functions of SFA are grouped under distinct functional areas as shown in Exhibit 3-7.

In the future, SFA will adopt many best practices currently employed in private industry and by other government agencies. These best practices are reflected in the following descriptions of the functions within SFA's five functional areas.

Exhibit 3-7: Functions by Functional Area

Functional Area	Function
Student Services	Aid Awareness Aid Application Loan Repayment
School Services	Program Eligibility Program Support Common Origination and Disbursement Financial Transitions
Financial Partner Services	Program Eligibility Program Support Financial Transactions
Performance Management	Customer Satisfaction Management Employee Satisfaction Management Financial Management



Enterprise Services	Human Resources (HR) Management Information Technology (IT) Management Facilities Management Contract and Acquisition Management
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3.6.3.1 Student Services

For direct loans, Student Services handles all SFA interactions with students, providing them with convenient access to aid application information, forms and account data. Student Services' core processes are designed to facilitate the coordination of relationships with lenders, guarantors, state agencies, schools and SFA with a virtual student account, providing a consolidated view for each student to facilitate his or her interactions with education service providers. Equipped with user-friendly financial planning tools, students will be able to understand their financial needs for post-secondary education. Upon school completion, debt management counseling will help students understand the overall impact of their debt on their future financial goals. Services provided include increasing awareness of financial aid availability among youth, providing easy access to user-friendly application forms, just-in-time disbursement of funds and an efficient repayment process.

Functions within the Student Services functional area are described below.

3.6.3.1.1 AID AWARENESS

Aid Awareness is dedicated to increasing awareness of financial aid availability and counseling. This function identifies and educates potential program participants, including students and their families. Aid Awareness provides information and guidance to assist in the post-secondary school planning and decision making process. The target age to reach potential program participants is increasingly younger, to allow ample forethought and analysis for the student and his or her family. This area includes the management of special SFA initiatives including the "College is Possible" campaign and may include future co-branding or sponsorship opportunities designed to reach the target market through popular media.

Aid Awareness targets markets that may be good candidates for SFA programs and develops awareness programs with these targets in mind. SFA executes awareness through the implementation of its programs and initiatives. The enhanced outreach services for under-served market segments is one such initiative. Throughout the process, SFA monitors program effectiveness and makes changes where needed.

3.6.3.1.2 AID APPLICATION

Aid Application will provide a streamlined, user friendly means to apply for financial aid through various media and will provide support during the application process. This process collects and organizes application information, verifies this information and assists in the creation of aid packages for schools and students. Aid Application is responsible for the design of the physical application form. Aid Application enables potential students to apply through



the communication medium of their choice, including the Internet (such as FAFSA application renewal on the Web) or traditional mail channels. As information comes in to SFA, it is organized and automatically verified. This information is then used to calculate and report the participant's Expected Family Contribution (EFC) to schools who put together aid packages. Decisions on the acceptance or rejection of aid packages are reported back to SFA.

3.6.3.1.3 LOAN REPAYMENT

Loan Repayment counsels borrowers on debt management and repayment options. It also provides an easy, streamlined process to repay loans and consider repayment alternatives. For Direct Loans, this process offers counseling to and collects money from borrowers who have entered into repayment, provides invoices, processes loan consolidation requests and attempts collection on defaulted loans. Loan Repayment provides students with different media through which loans can be paid. As borrowers enter repayment, they will be offered advice on which repayment options best suit their circumstances and on the overall financial impact of their debt. Repayment options selection, bill dates changes and repayment calculation tools are available on the Web. Loan Repayment looks to leverage commercial systems to process bill presentation and payment. Loan monitoring will be automated, defaulted loans will be identified and Loan Repayment will choose how to deal with defaults (from wage garnishment to collection agencies). Loan Repayment will also manage consolidation loan information and originate consolidation loans upon receipt of borrower requests.

3.6.3.2 School Services

SFA School Services manages the relationship with schools from program eligibility through training and performance review. Using sophisticated performance and risk analysis tools, schools are categorized by their effectiveness in managing Federal funds and achieving performance-based outcomes as defined by SFA. Schools will have access to these tools directly so they can perform self-audits and take action to improve performance before corrective action is necessary. Other services include financial transaction processing, training/education and program/eligibility reviews.

Functions within the School Services functional area are described below.

3.6.3.2.1 PROGRAM ELIGIBILITY

Program Eligibility evaluates schools' administrative capabilities and demonstrated need for participation in Title IV programs. This process monitors eligibility requirements throughout a school's involvement with Title IV Aid programs. Program Eligibility includes the activities needed to certify schools for participation in Title IV programs, to define the scope of their participation and to discontinue eligibility, as needed. Statutory eligibility, administrative capability and financial capability are key determinants of school eligibility. When a school is certified, SFA determines participation levels based on type of program, length of program, method of disbursement and other dimensions that may vary from school to school. Schools' participation may also be deactivated, either voluntarily by the school or involuntarily by SFA. This process also manages the transactions related to discontinuing eligibility. Program Eligibility activities represent the first line of interaction between SFA and schools, so it is



critical that these processes are executed efficiently and accurately. The information collected here will initiate the school profile and will be used as the basis of performance analysis and program support efforts throughout the school's tenure as a Title IV program participant.

3.6.3.2.2 PROGRAM SUPPORT

Program Support educates and trains schools on regulatory requirements, enabling computer tools and performance measure calculations for effective management of funds and risk. This process ensures that schools have the tools and assistance they need to effectively manage Title IV Aid programs. Program Support includes the sets of activities that characterize the relationship and exchange of information between SFA and Title IV schools. Program Support starts with training and technical support and collection/maintenance of program information. This information is then used to analyze school performance across a number of indicators, including financial, administrative and outcomes-based measures. Performance analysis will be driven by predictive risk profiling tools that alert SFA to aberrant performance behavior across and among schools. Performance analysis and segmentation of schools across a risk continuum results in various actions by SFA ranging from regulatory relief for low risk, high performing schools to additional training/technical assistance, fines or participation discontinuance for high risk, low performing schools. Program Support in a modernized SFA will enable schools to access, manipulate and self-monitor their performance through the use of sophisticated technology tools that can reside on an aid administrator's desktop. These tools will help schools identify corrective action options and improve performance levels relative to their peers.

3.6.3.2.3 COMMON ORIGATION AND DISBURSEMENT

Origination and Disbursement authorizes and releases Pell Grant and Direct Loan funds to schools as well as receives and confirms eligibility information related to specific recipients. This process ensures the proper funds are distributed for disbursement to eligible students. Origination and Disbursement starts by receiving records from schools indicating students to whom they intent to disburse funds. Key edits are then performed to confirm eligibility for the funds, at the school and student level. Upon confirmation of eligibility, the appropriate funds are released to the school for immediate payment to the student. Origination and Disbursement activities are the primary mechanism by which Title IV funds are delivered to students. Therefore, it is critical that these processes are executed efficiently and accurately. The information collected here will become the basis for borrower records, which support a view of a student history of Title IV disbursements.

3.6.3.2.4 FINANCIAL TRANSACTIONS

Financial Transactions maximizes the accuracy and speed of administration and tracking of financial flows between schools and SFA. This process coordinates the execution of financial activities conducted at the school level versus the student level. Financial Transactions includes the activities necessary to complete and track disbursement and reconciliation of funds to schools for Pell and Campus-Based programs. These activities include various adjustments, reimbursements and closeout transactions needed to ensure that SFA's integrated financial management system reflects accurate and complete financial data related to school programs.



Financial Transactions is also responsible for payment of cost allowances to schools for administering Pell and Campus-Based programs. Several of the requirements included in Financial Transactions will change or become obsolete in a just-in-time payment environment for school disbursements.

3.6.3.3 Financial Partner Services

Financial Partners Services supports lenders and guaranty agencies in their delivery of aid to students. SFA receives information from and provides information to these entities related to SFA programs and individual student participants. The types of services provided to financial partners include training and education, eligibility processing, informational updates, financial transactions and program performance analysis and review. Financial partners require accurate, up-to-date information and real-time shared access to transaction data on their loan portfolios. This commitment to access and shared performance data drives the technical architecture.

Functions within the Financial Partner Services functional area are described below.

3.6.3.3.1 PROGRAM ELIGIBILITY

This process maintains the activation and deactivation of eligibility for financial partners, namely lenders and guaranty agencies. The process determines eligibility through the review of applicable certifications and requirements, application information and reporting. If a lender or guaranty agency fails to meet the requirements set forth by SFA in terms of reporting, financial health or participation, SFA may discontinue eligibility of said institution. Shared access to data for lenders and guaranty agencies will significantly improve the program eligibility process by eliminating process steps and speeding eligibility verification. Additionally, Program Eligibility receives and evaluates States applications for the LEAPP program (a Federal contributions program) and maintains related performance reports.

3.6.3.3.2 PROGRAM SUPPORT

Program Support provides financial partners with assistance and continuous training on changes to program guidelines, thus maximizing the efficient exchange of information and knowledge between SFA and its partners. This process maintains and supports the financial partner in all aspects of the aid programs. Program Support provides technical assistance and guidance to institutions in program specifics and changes to program guidelines. SFA maintains and monitors performance data and reporting from the financial partners including information such as number and size of loans and distribution of funds by school or region. This information may be provided, upon request, to program participants. This process uses this information to conduct periodic financial partner program reviews. If a financial partner's performance is significantly better or worse than a baseline, SFA takes action to either expand the lender/guaranty agency's participation levels or sanction the financial partner (through decreases in participation levels or other methods). Access to and use of data across SFA to predict risk and potential performance issues for financial partners will be critical to improving program support efforts in a modernized SFA.



3.6.3.3 FINANCIAL TRANSACTIONS

Financial Transactions maximizes the accuracy and speed of administration and tracking of financial flows between financial partners and SFA. This process manages the flow of funds between financial partners and SFA. The process makes payments to lenders and guaranty agencies such as reimbursements, special allowances and payments. Once a state has been accepted to the LEAPP program, this process manages the authorization and disbursement processes for funds, keeping track of contribution levels for each state.

3.6.3.4 Performance Management

Performance Management encompasses the collection and analysis of performance information, which is used by management to assess how well SFA is performing as a PBO and the prioritization of improvement projects. It also provides a tool-set to link SFA's vision, strategy objectives and key performance measures. This functional area includes three functions: Financial Management, Customer Satisfaction Management and Employee Satisfaction Management. Also included in this functional area are the traditional accounting and finance activities that ensure SFA successfully manages the flow of funds between itself and external parties. SFA is focused on achieving three primary goals: increasing customer satisfaction, decreasing the cost of delivering financial assistance and increasing employee satisfaction. Processes will be put in place to continuously measure progress against these goals and to insure that the momentum that has been generated by initiatives like the Customer Service Task Force will be maintained in the future.

Functions within the Performance Management functional area are described below.

3.6.3.4.1 CUSTOMER SATISFACTION MANAGEMENT

The need for service agencies to measure outcomes has never been greater. Agencies must find economical, yet effective, methods to demonstrate the impact of their programs on both clients and the community. Those who fund these programs want outcome measures that satisfy user needs, add value to programs and measure results.

The Customer Satisfaction Management process includes a systematic series of activities to measure and report customer/partner service perceptions and outcomes. This process begins with identifying customer/partner needs and satisfaction levels and developing objectives and plans to support them. Next, data is gathered and collected for analysis and processing to identify critical customer trends, performance gaps and opportunity areas. Finally, with this information, decision-makers can take responsive action to enhance customer satisfaction.

3.6.3.4.2 EMPLOYEE SATISFACTION MANAGEMENT

This process includes activities that enable proactive collection and analysis of employee feedback, enable management to build an accurate picture of how employees perceive the organization and highlight causes of employee dissatisfaction.

The Employee Satisfaction Management process identifies SFA's most pressing employee concerns and improves morale by responding to employee feedback. It facilitates setting improvement goals, monitoring progress against those goals, benchmarking performance and



increasing productivity through improved employee motivation, lower absenteeism and reduced staff turnover.

3.6.3.4.3 FINANCIAL MANAGEMENT

The Government Performance and Results Act of 1993 required all government agencies to manage by results. In response to this act, the Chief Financial Officers Council adopted the following vision for financial management:

Enabling government to work better and cost less requires program and financial managers, working in partnership using modern management techniques and integrated financial management systems, to ensure the integrity of information, make decisions and measure performance to achieve desirable outcomes and real cost effectiveness.

This process contains all of the activities SFA must perform to fulfill this vision. Included in the financial management process are the traditional accounting activities necessary to manage the flow of funds between students, SFA, schools, financial partners and other government agencies, as well as the activities SFA must perform to manage one of the largest portfolios of consumer loans. The financial management process will produce the reports that SFA management will use to monitor how well the SFA organization is performing relative to one of its three primary objectives: to reduce the overall cost of student financial assistance. As specified in the CFO Council's vision, a key business requirement of the financial management function is an integrated financial management system, which manages the flow of financial information across all of SFA's information systems. In the future, SFA will leverage all financial systems in the Department of Education's CFO office as much as possible. However, to perform new PBO-specific financial management processes mandated by legislature, SFA will need its own best in business integrated financial management system.

3.6.3.5 Enterprise Services

SFA will improve the way it manages its critical assets: its people, technology, facilities and its relationships with vendors. These "Enterprise Services" provide the foundation for services provided both internally and externally. Enterprise Services performs best in business Human Resources Management, IT Management, Facilities Management and Contract and Acquisition Management across SFA's operation to provide a consolidated, channel-driven approach to support services. Enterprise Services create and deliver value for SFA and support processes in the business model by capitalizing on economies of scale, pooled expertise, reduced overhead and program/system integration. In a modernized SFA, the internal customer drives the level and type of services performed by Enterprise Services. Enabled by technology, Enterprise Services can partner with each channel to reduce costs and streamline operations for all parties. Functions within the Enterprise Services functional area are described below.



3.6.3.5.1 HUMAN RESOURCES (HR) MANAGEMENT

SFA is committed to building a strategic, best-in-business Human Resources capability that focuses on SFA's most important asset, its people. As a business enabler and strategic partner, human resources management will address SFA's critical people challenges:

- Aligning the organization and workforce with defined performance objectives
- Developing a workforce with the composition and competence required to perform
- Supporting the workforce's ongoing performance efforts
- Reinforcing the workforce's efforts and performance results

Ultimately, SFA Human Resources seeks to address its people challenges to improve the welfare and morale of SFA employees, thereby contributing to a positive culture that promotes success and delivers results.

3.6.3.5.2 INFORMATION TECHNOLOGY (IT) MANAGEMENT – OCIO

IT Management includes processes which SFA performs to maximize return on current and future investments in information technology. IT Management activities enable SFA to prioritize investments, purchase the correct technology and operate and maintain its systems. In addition, IT Management ensures that SFA's systems have common standards, are secure, readily integrate and interface with channel partners and keep pace with new technologies and technology requirements.

Effective IT Management will improve efficiencies, reduce costs and facilitate the easy access of information for SFA's internal and external customers.

3.6.3.5.3 FACILITIES MANAGEMENT

Facilities Management coordinates the physical workplace with the organization's people and work. SFA will use best practice principles in business administration, architecture and behavioral and engineering sciences to ensure that procedures are fixed and that mobile assets are inventoried, insured and continually meet or exceed code. Also, Facilities Management will ensure that SFA facilities are safe and secure and have the best, most up-to-date, comfortable and ergonomic equipment available.

Effective Facilities Management will improve the comfort, welfare and morale of SFA employees and reduce SFA costs through decreases in fraud and waste while promoting an environmentally friendly workplace. Inventory control systems, computer-aided design software, logistics planning and control programs are possible systems which could be implemented to achieve these goals.

3.6.3.5.4 CONTRACT AND ACQUISITION MANAGEMENT

This process identifies, selects and manages external vendors who supply goods and services to SFA. SFA partners with vendors and suppliers to provide high-value goods and services that can be used to supplement or substitute existing roles and capabilities critical to operating the business. These vendors are integral to SFA's delivery of service to students, schools and



financial partners. Thus, their involvement and integration with SFA decision planning efforts is critical for effective Contract and Acquisition Management.

Effective Contract and Acquisition Management provides SFA access to public and private best practice and subject matter expertise in cost reduction and improved service levels for both internal and external customers. IT supports Contract and Acquisition Management with robust procurement and project management software that contains built-in tracking and performance measures.

3.7 Business Locations

Business activities at SFA are conducted at various locations, with four distinct types of offices:

- Headquarters in Washington,
- Regional Offices throughout the country,
- Contractor facilities,
- Call Centers and
- Virtual Data Center in Meriden, Connecticut.

